

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.
Petitioner,

v.

MAXELL, LTD.,
Patent Owner

Case: IPR2020-00409

U.S. Patent No. 6,580,999

PATENT OWNER'S AUTHORIZED PRELIMINARY SUR-REPLY

Mail Stop **Patent Board**
Patent Trial and Appeal Board
U.S. Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

PATENT OWNER'S UPDATED EXHIBIT LIST

Description	Exhibit #
Decision denying Apple's Motion to Stay	2001
4/20/20 Scheduling Order from District Court Action	2002
5/31/19 Scheduling Order from District Court Action	2003
Docket from District Court Action	2004
<i>Markman</i> Decision from District Court Action	2005
1/8/20 Minute Order	2006
8/28/19 Minute Order	2007
9/18/19 Minute Order	2008
Declaration of Tiffany A. Miller	2009
5/8/20 Notices of Compliance	2010
<i>Hayashida</i> Chart from Apple's Expert Report from District Court Action	2011
<i>Abowd</i> Chart from Apple's Expert Report from District Court Action	2012
Maxell's Infringement Contentions from District Court Action	2013
Maxell's Final Election of Claims	2014
Apple's Final Election of Prior Art	2015
Apple's Invalidity Contentions from District Court Action	2016
<i>Hayashida</i> Chart from Apple's Invalidity Contentions	2017
3/10/15 Letter from Apple to Maxell	2018
5/15/15 Letter from Apple to Maxell	2019
'498 IPR Petition (ASUS)	2020
'498 IPR Preliminary Response	2021
Wayback Machine excerpts	2022
Getting Heading and Course Information	2023
Getting the Heading and Course of a Device	2024
5/17/18 Letter from Maxell to Apple	2025
COVID Standing Order	2026
March 6, 2017 Scheduling Order from Maxell v. ZTE	2027
June 5, 2018 Scheduling Order from Maxell v. ZTE	2028
Docket from District Court Action	2029

Maxell's Notice of Compliance Regarding Rebuttal Expert Reports	2030
June 3, 2020 Order in District Court Action	2031

I. INTRODUCTION

Every *Fintiv* factor favors denial of Apple’s Petition. Apple knows this, which is why it spends the majority of its Reply attacking the Board’s precedential *Fintiv* decision. But it is well settled that “the Director has complete discretion to decide not to institute review.” *Saint Regis Mohawk Tribe v. Mylan Pharms. Inc.*, 896 F.3d 1322, 1327 (Fed. Cir. 2018); *see also Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”). Indeed, the Board has already rejected Apple’s policy arguments. *Apple v. Fintiv*, IPR2020-00019, Paper 15 at 11-12 (May 13, 2020).

The *NHK* and *Fintiv* line of cases recognize discretionary denial is appropriate for precisely the situation present here, where one of the largest companies in the world uses the IPR process, not as a less-expensive alternative to litigation, but as an overall gambit to litigate without end. Apple’s perverse attempt to cast itself as a martyr if the Board denies institution here ignores that Apple was entirely in control of when its IPR Petition was filed. Apple purposefully chose to delay filing its Petition, and elected to litigate in the District Court rather than focus on preparation of its Petition. *See* Paper 6 at 15-19. These facts remain un rebutted.

The District Court Action is set for trial beginning October 26, 2020. Ex. 2001. Apple has known about the trial date since May 31, 2019, over six months prior to filing its Petition. *Id.* An oral hearing will not occur until about May 2021, and a Final Written Decision is expected August 12, 2021—ten months after trial. These were the facts when Apple filed its Petition; these are the facts now. Apple’s statistical speculation on whether a trial date may be continued does not change these facts, nor should it persuade the Board to ignore sound precedent.

II. THE *FINTIV* FACTORS OVERWHELMINGLY FAVOR DENIAL

Here, the *Fintiv* factors overwhelmingly favor denial of institution.

A. Factor 1: The District Court Denied Apple’s Motion to Stay

On April 27, 2020, the Court denied Apple’s motion to stay, noting that “Apple has not sufficiently explained its delay in filing the [IPR] petitions. Apple filed its first wave of petitions nine months after Maxell filed suit and six months after Maxell served its initial infringement contentions.” Ex. 2001 at 4-5. The Court concluded that “The case is not in its infancy and is far enough along that a stay would interfere with ongoing proceedings.” *Id.* at 4. Though the Court denied the motion without prejudice, it presaged that “[t]he late stage of the proceedings will certainly weigh against granting a stay” because the last institution decisions will only be complete on September 25, 2020, one month prior to trial.

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.